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Wheat Situation

Economics, Statistics, and Cooperatives Service

U.S. Department of Agriculture

WS-251

FEBRUARY 1980

TABLE 1.--WHEAT: MARKETING YEAR SUPPLY, DISAPPEARANCE, AREA AND PRICES, 1975-79 *

YEAR BEGINNING JUNE 1	SUPPLY: BEGINNING STOCKS	SUPPLY: PRODUCTION	SUPPLY: IMPORTS 1/	SUPPLY: TOTAL	DISAPPEARANCE: DOMESTIC USE: FOOD	DISAPPEARANCE: DOMESTIC USE: ALC. BEVERAGES	DISAPPEARANCE: DOMESTIC USE: SEED	DISAPPEARANCE: DOMESTIC USE: FEED 2/	DISAPPEARANCE: DOMESTIC USE: TOTAL	DISAPPEARANCE: EXPORTS 1/	DISAPPEARANCE: TOTAL DISAPPEARANCE	ENDING STOCKS MAY 31: GOVT. OWNED	ENDING STOCKS MAY 31: PRIVATELY OWNED 3/	ENDING STOCKS MAY 31: TOTAL
	MILLION BUSHELS													
1975/76	435.0	2,122.5	2.4	2,559.8	588.6	0.1	99.0	34.0	721.7	1,172.9	1,894.6	---	665.3	665.3
1976/77	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	949.5	1,698.1	---	1,112.2	1,112.2
1977/78	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79 4/	1,176.7	1,797.5	1.9	2,976.1	591.6	0.1	87.0	178.6	857.3	1,194.1	2,051.4	50.2	874.5	924.7
1979/80 5/	924.7	2,141.7	2.1	3,068.5	600.0 (± 5)	---	95.0 (± 5)	75.0 (± 20)	770.0 (± 25)	1,325.0 (± 100)	2,095.0 (± 110)	N.A.	N.A.	973.5 (± 110)

YEAR BEGINNING JUNE 1	AREA: NAT. PROGRAM	AREA: SET-ASIDE AND DIVERTED	AREA: PLANTED	AREA: HARVESTED FOR GRAIN	YIELD: PER HARVESTED ACRE	AVERAGE PRICES: RECEIVED BY FARMERS	AVERAGE PRICES: CHICAGO NO. 2 SOFT RED WINTER	AVERAGE PRICES: KANS. CITY NO. 1 HARD RED WINTER, ORD. PROT.	AVERAGE PRICES: MINNEAPOLIS NO. 1 DARK NO. SPRING, 13% PROT.	AVERAGE PRICES: NATIONAL AVG. LOAN RATE	GOVT. SUPPORT PROGRAM: TARGET PRICE	GOVT. SUPPORT PROGRAM: TOTAL PAYMENTS TO PARTICIPANTS 6/
	MILLION ACRES				BUSHELS	DOLLARS PER BUSHEL						MIL. DOL.
1975/76	53.5	---	74.8	69.4	30.6	3.56	3.54	3.74	4.17	1.37	2.05	51
1976/77	61.6	---	80.2	70.8	30.3	2.73	2.81	2.88	3.23	2.25	2.29	145
1977/78	62.2	---	75.1	66.5	30.6	2.33	2.56	2.72	2.83	2.25	7/2.90	1,243
1978/79 4/	58.8	9.6	66.3	56.9	31.6	2.98	3.57	3.38	3.33	2.35	3.40	822
1979/80 5/	70.1	8.2	71.6	62.6	34.2	3.70-3.90				2.50	3.40	135

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENT. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ PRELIMINARY. 5/ PROJECTED. 6/ INCLUDES DEFICIENCY, DIVERSION, DISASTER AND RESERVE STORAGE PAYMENTS. 7/ UNPLANTED PORTION OF ALLOTMENT QUALIFIED FOR $2.47. N.A.=NOT AVAILABLE. *TOTALS MAY NOT ADD DUE TO ROUNDING.

THE WHEAT SITUATION

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SUMMARY

Wheat Prices Return to Pre-Suspension Level
Record Exports Likely

Wheat prices remain well above a year ago despite the January 4 suspension of grain sales to the Soviet Union. Prices weakened initially but have recovered and advanced above pre-suspension levels in most areas.

To soften the expected market impact of the sales suspension, the Government immediately implemented a number of program changes. The most significant action was the announced intention to purchase 150 million bushels of wheat, including the assumption of contractual obligations on up to 135 million bushels that will not be shipped to the Soviet Union. This wheat would not be resold on the market but would be used to insure future U.S. foreign food-aid commitments.

Other program changes increased the 1979 loan rate from $2.35 to $2.50 a bushel and raised the farmer-owned release and call levels. All these actions helped maintain prices at earlier forecast levels. The average farm price is expected to range from $3.70 to $3.90 a bushel compared with $2.98 in 1978/79.

Prospects for a record export season still overshadow the expected increase in wheat carryover stocks. Overseas shipments during June-December were at a record setting pace, totaling nearly 900 million bushels. The suspension of grain sales caused projected 1979/80 U.S. wheat exports to be lowered 75 million bushels to 1,325 million. This exceeds the 1973/74 record season by over 100 million bushels. Despite the projection of record wheat disappearance in 1979/80, yearend stocks are expected to be slightly higher than in 1978/79 because of the near-record 1979 crop.

When winter wheat producers were firming up their planting decisions last fall, farm prices were nearly $4 a bushel and prospects for 1980 crop prices continued strong. This outlook, coupled with no set-aside requirements in 1980, led winter wheat growers to seed nearly 57 million acres, 5 million

more than a year ago and the largest area planted since 1976. On January 1, Durum and other spring wheat growers indicated they may increase 1980 planted acreage 1 million acres over 1979. Although 1980 winter wheat developments indicate that yields will be down from last year's record, it appears that the 1980 U.S. wheat production may again top 2 billion bushels. Weather still remains the big determinant for both the winter and spring crops.

The 1979 world wheat crop is currently estimated at 405 million metric tons, substantially down from 1978's record 439 million tons, but still the third largest ever. Global wheat trade is projected at a record 78 million tons despite recent curtailment of U.S. sales to the Soviet Union.

THE CURRENT SITUATION

Wheat Prices Firm Despite Soviet Sales Suspension

The January 4 suspension of grain sales to the Soviet Union sent market prices lower initially, but prices in most areas have recovered to pre-suspension levels. A number of Government program changes implemented immediately after the suspension have helped to soften the price impact of this action.

For wheat, the most significant action was the Government announced intention to purchase up to 4 million metric tons (150 million bushels) of wheat, including the assumption of contractual obligations on the 135 million bushels of wheat already sold to the Soviets but not shipped. None of this wheat would be resold into the market. Instead, this wheat would augment current foreign food assistance programs or be placed in an emergency international food-aid reserve and thus, never reach the commercial market.

Other program changes included the following:

- An increase in the 1979 loan rate from $2.35 to $2.50 per bushel.
- Increases in the release and call levels for wheat in the farmer-owned reserve. The new levels are a $3.50 per bushel release level (140 percent of loan) and $4.38 call price (175 percent of loan) for wheat already in the reserve, and a $3.75 release (150 percent of loan) and $4.63 call (185 percent of loan) for wheat placed in the reserve after January 7, 1980. Producers with wheat in the reserve before January 7 have the option of signing a new reserve contract with the higher release and call levels.
- Yearly storage payments on reserve stocks are now 26.5 cents per bushel, up from 25 cents.

Farm prices for the first 8 months of the marketing year (June-January) averaged around $3.80 per bushel. For the season, prices are expected to average from $3.70 to $3.90 per bushel, virtually the same forecast as prior to the suspension. Winter wheat crop developments and spring wheat prospects in the United States, as well as crop prospects in other Northern Hemisphere countries will influence the price outlook for coming months.

USDA's 5-month weighted average farm price (June-October) was $3.83 per bushel, compared with $2.88 for the same period last year. This price exceeded the $3.40 target price so wheat program participants did not receive deficiency payments for the 1979 crop year. Last year, payments totaled around $617 million.

June-December Disappearance Higher

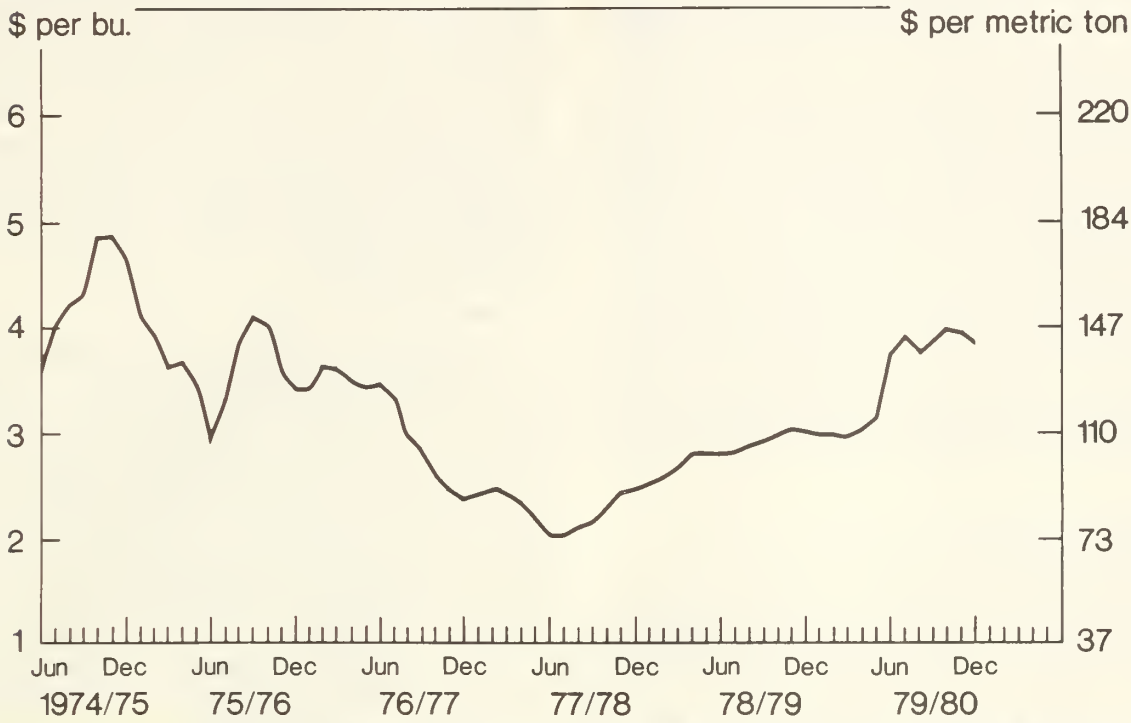
Harvest of the second-largest wheat crop increased total 1979/80 wheat supply to over 3 billion bushels for the second time in the last 3 years. However, the January 1 stock level of 1.7 billion bushels, was up only modestly from a year ago reflecting a record setting June-December export pace. Hard and soft wheat supplies were respectively, 1 and 30 percent higher than January 1, 1979, while Durum stocks were off 8 percent. On-farm stocks accounted for 45 percent of the total, reflecting heavy use of farm storage facilities despite smaller farmer-owned reserve stock levels.

Wheat: Supply and disappearance

Item	June-December	
	1979	1980
	Million bushels	
June 1 stocks	1,177	925
Production	1,798	2,142
Total supply[1]	2,976	3,068
Exports	802	899
Food	346	357
Seed	61	68
Feed	134	31
Total disappearance	1,343	1,355
October 1 stocks	1,633	1,713

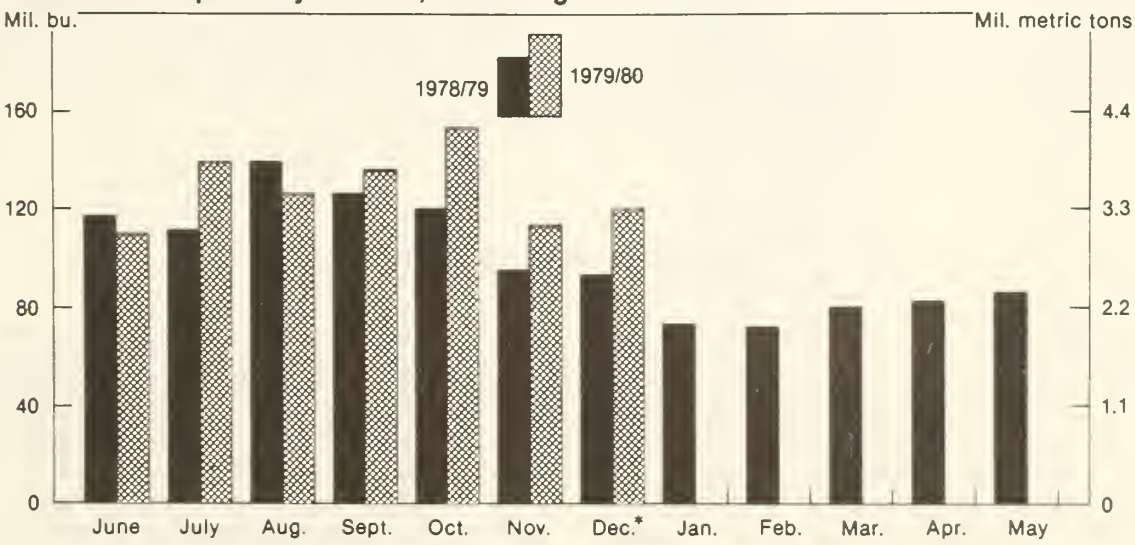
[1] Includes imports.

Wheat Prices Received by Farmers



USDA Neg. ESCS 891-80 (1)

U.S. Wheat Exports By Months, Marketing Years 1978/79 and 1979/80



Includes flour and products in wheat equivalent. *1979/80 estimated.

USDA Neg ESCS 31-80 (1)

About a third of January 1, 1979 stocks were isolated from the market by being in the farmer-owned reserve or owned by Commodity Credit Corporation (CCC), but higher prices forced the reserve into a release status in May 1979. Producers have since redeemed nearly half of their reserve stocks with the remaining 230 million bushels still in release status and readily marketable. Combining the expected farmer-owned reserve stocks, with pending CCC purchases of about 150 million bushels and the present 50 million bushels of CCC stocks, point to over 40 percent of carryover stocks being isolated from the market on June 1, 1980.

Because of record export loadings during June-December, wheat disappearance totaled over 1.3 billion bushels, nearly matching the record usage in 1973. But with an expected slowdown in January-May wheat use, yearend stocks are projected to again be on the upturn compared with a sizeable drawdown last year.

Feed Use Reduced Flour Production Up

Wheat feed use in 1979/80 had been expected to drop because of higher prices and a bumper feed grain harvest. This was confirmed by the January 1 stock report which implies apparent wheat feeding during June-December was less than half of the amount fed last year. For 1979/80, wheat fed is expected to be about 75 million bushels, 100 million below the level of the last two years.

An accelerated output of wheat ground to flour during June-December points to an optimistic outlook for wheat food use in 1979/80. Last August's mill grind of 59 million bushels was the largest for any month in 15 years. At this pace, total 1979/80 wheat food use (whole grain equivalent) could surpass 600 million bushels, 2 percent over last year's record. While the number of flour mills has declined during the 1970's, milling capacity has gone up 13 percent in the last 5 years, the result of new modern mills and major modernization of older mills.

Increased flour consumption is a result of the growth in away-from-home food marketing, particularly the fast food segment. The "Bun Revolution" has nearly doubled the consumption of this wheat product in a decade. The convenience food market—packaged rolls and bakery products—has also been on the upswing. Consumption prospects are rising based on increasing attention to diets with more complete nutritional value, particularly with emphasis on whole grain cereals.

Record Export Pace Expected to Slow

Wheat exports moved at a record-setting pace during June-December totaling nearly 900 million bushels. This was up more than a tenth from the same period a year ago and tops the 1973 record by 33 million bushels. This season's stepped-up overseas business stems from the large purchases made by the Soviet Union due to their extremely poor 1979 crop. In 1973, the United States also shipped large quantities to the Soviet Union. During June-December 1979, USSR loadings totaled 140 million bushels, an increase of 100 million bushels over 1978/79. Shipments were also up to Eastern Europe, and Latin America but at a reduced level to China, Iran, and Pakistan.

The suspension of U.S. wheat sales to the Soviet Union has slightly diminished export prospects, but total shipments are expected to reach 1,325 million bushels in 1979/80. This exceeds the 1973/74 record by over 100 million bushels. Increased demand from other countries such as Brazil, China, and Mexico, as well as some expanded shipments under food-aid programs are expected to help offset the loss of Soviet sales. Nevertheless, export loadings during the remainder of the year are expected to fall below the brisk average monthly rate of 128 million bushels during the first half of 1979/80.

OUTLOOK FOR 1980/81

Winter Wheat Acreage Up Yield Prospects Off

When winter wheat producers were firming up their planting decisions last fall, farm prices were nearly $4 a bushel and new-crop futures (July 1980) pointed to even higher prices. This outlook, coupled with no set-aside requirements in 1980, resulted in winter wheat growers seeding nearly 57 million acres, 5 million more than a year ago, and the largest area planted since 1976.

Most of the acreage increase came from the over 7 million acres idled under last season's 20-percent set-aside program. *Hard Red winter* growers seeded about 8 percent more with major Southern Plains States—Oklahoma and Texas—increasing acreage 7 and 17 percent, respectively. Kansas was up 6 percent. Pacific Northwest *White winter* wheat farmers upped plantings 4 percent. Wet soils and a slow soybean harvest caused seeding delays in eastern wheat growing areas but did not prevent

Soft Red winter growers from planting 25 percent more than last year. Missouri, a leading soft wheat State, upped plantings 26 percent. Much of this increase came from land planted to other crops since participation in the 1979 set-aside program was light in the soft wheat belt. Increased double cropping is also a factor.

Weather remains the big determinant but based on December conditions, the 1980 winter wheat yield forecast per seeded acre was 3 bushels below 1979's high of 31 bushels per acre. Even so, with the expanded acreage, the 1980 winter wheat crop is currently estimated at 1,568 million bushels, only 41 million shy of last year's near record harvest. Chances are 2 out of 3 that final winter wheat production will not differ from this estimate by more than 125 million bushels. By class, the initial winter wheat production forecast is; Hard Red, 993 million bushels, nearly a tenth off 1979's record crop; Soft Red, 346 million, up 8 percent; and White, up 18 percent.

Winter wheat is rated good to excellent in the eastern belt but only fair in the important Great Plains production area. Snow cover is not widespread and thin stands are reported in some areas due to delayed planting and development. Increased winter precipitation has improved prospects and relatively mild temperatures have reduced the likelihood of heavy winterkill.

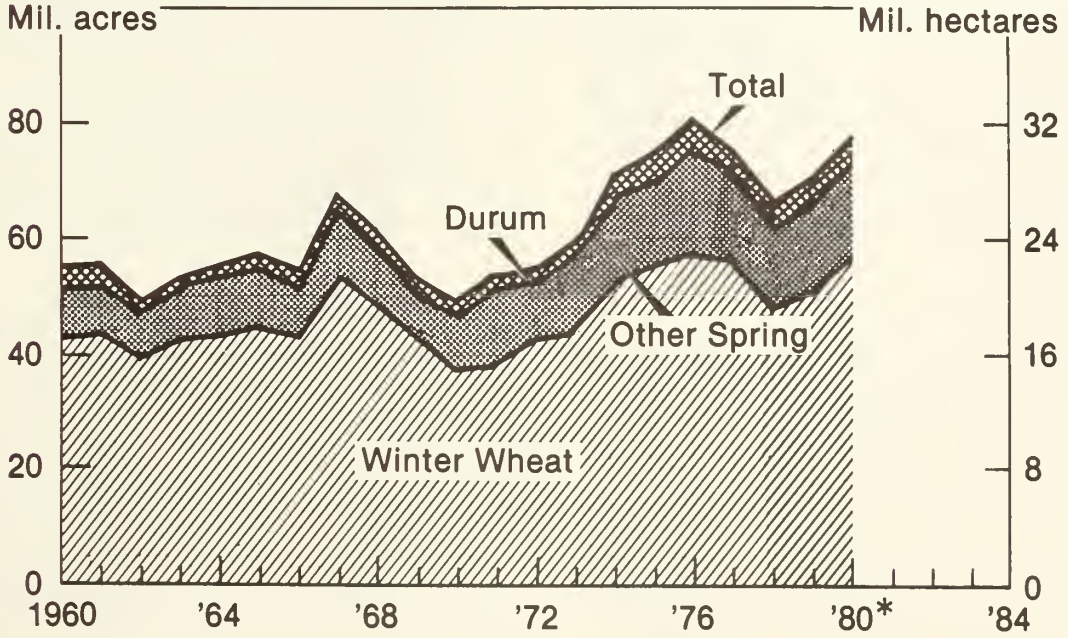
Spring Growers' Intentions Show Acreage Increase

The recently released *Prospective Plantings* reports intentions of spring wheat growers prior to the announced USSR grain sales suspension. Although this year's hard spring wheat exports are unlikely to be affected directly by this event, spring wheat market prices are likely to adjust in relation to other wheat market price changes. Some producers' plans could be altered—particularly if an acreage diversion program is implemented.

Tentative plans indicate acreage for all spring planted wheat of about 20.6 million acres, up about 5 percent. Again most of last year's set-aside area will be returned to grain production and some wheat may be on acreage that grew sunflowers last year.

Durum plantings were indicated at 4.9 million acres, up 20 percent from last year primarily because of strong prices relative to competing crops. Intentions in North Dakota were up 17 percent and Durum acreage in the Southwest is likely to be nearly double last year.

Wheat: Planted Acres



* Indicated January 1, 1980.

Other spring wheat planting intentions show an increase of only 1 percent over 1979. North Central States lead the increase but a sharp fall off in the Pacific Northwest is noted because winterkill does not appear to be a factor for replanting as was the case last year.

Possible Program Changes

The previously mentioned 1979 crop loan rate, reserve, and storage program changes also apply for the 1980 crop. In addition several Government programs changes are still under consideration. These include:

- Congressional action on a bill setting the 1980 wheat target price at $3.63 per bushel plus granting USDA authority to require producers to plant within their normal crop acreage (NCA) to be fully eligible for farm program benefits when no set-aside is required.
- Further procedural modifications in the reserve program which will reduce potential market fluctuation by affording more orderly marketing of reserve stocks.
- A possible acreage diversion program to prevent excessive 1980 production if price developments warrant. An annoucement will be made by March 1.

1979 WORLD WHEAT CROP WRAPUP

World Wheat Production Down

The 1979 world wheat crop is currently estimated at 405 million metric tons (mmt). Although this is substantially down from 1978's record 439 mmt, it is still the third largest production ever. All major Northern Hemisphere wheat producers except the United States, China and India, experienced reduced harvests. However, in many of these areas, the 1978 crops were at record or near-record levels. The most significant country reduction was a 35 mmt shortfall in the Soviet Union harvest, 29 percent below 1978's record. Final outturn of 1979 world wheat depends on crops in the Southern Hemisphere where harvesting is nearly complete. Reduced plantings and wet harvest conditions suggest an Argentine crop slightly less than 1978's 8.1 mmt. Excessively wet conditions also caused a 7-percent reduction in Brazil's wheat harvest. Reduced yields will lower Australia's 1979 wheat output about a tenth below last year's record 18.1 mmt.

World Wheat Trade at a Record

World wheat trade for 1979/80 (July/June) is projected at a record 78 mmt despite recent curtailment of U.S. shipments to the Soviet Union. This action reduced expected USSR wheat imports about 2 mmt from earlier estimates. Increased import requirements for China and Brazil are partially offsetting the reduction for the Soviet Union. Chinese purchases from Argentina have been larger than expected while Brazil's wheat requirements will increase due to a short crop.

United States' suspension of grain sales to the Soviet Union lowered estimated U.S. wheat exports to 36 mmt, but this is still a record amount. After overcoming earlier logistical delays, accelerated export loadings and heavy forward sales are expected to push Australia's trade to a record 13 mmt. Canadian efforts to solve their grain transportation problems are expected to help increase wheat shipments moderately above last season's 13.5 million tons.

Developments that may influence the level of world wheat trade in coming months include:

- Availability of non-U.S. grain to the Soviet Union.
- Conditions in India's spring grain producing areas, and the possibility of wheat imports in 1980.
- The European Community (EC) policy decisions relative to export subsidies and stocks.
- China's level of grain imports.
- Progress of the winter wheat crop in Northern Hemisphere areas.
- Weather conditions and planting intentions for world spring wheat growers.

1980 World Winter Wheat Conditions Favorable

Northern Hemisphere winter wheat was planted under generally favorable conditions. In the *USSR* the fall-sown area is up a tenth. Except for an early winter cold snap, weather has been less harsh than last year. In *Western Europe*, moisture supplies have been adequate and the wheat area is likely to be up in many countries. *Eastern Europe* expanded the area planted to winter grains and a recovery in output is anticipated. A danger of winterkill exists due to the lack of snowcover. *China's* plantings of winter wheat were delayed by a late fall harvest and dry conditions but attempts were made to expand area. *India's* winter wheat crop will be down because of drought and short supplies of irrigation water.

Soviet Wheat Sales Suspension Reduces HRW Exports

Despite a record setting pace for Hard Red Winter (HRW) exports during June-December, January 1 stocks were up 45 million bushels from last January's 800 million. This higher stock level reflects a record 1.1 billion bushel 1979 HRW harvest.

The January suspension of grain exports to the Soviet Union caused a reevaluation of total HRW export prospects and stock levels for 1979/80. This year, all USSR purchases of U.S. wheat were Hard Red Winter. A sharp drop in the Soviet 1979 winter wheat crop resulted in prospective U.S./USSR sales of over 250 million bushels, compared with 96 million in 1978/79. Most of this wheat was likely being used to meet increased Soviet livestock feed demand.

Total HRW exports (June-December) were up 26 percent with USSR shipments of 140 million bushels accounting for most of the increase. Outstanding sales as of early January were 74 percent above year-earlier levels. They are off 15 percent from last year's level when the Soviet sales are excluded. Because of these suspended sales, the 1979/80 HRW export forecast has been reduced to 715 million bushels. This decrease does not fully reflect suspended Soviet sales, as increased prospects for sales to other countries, such as Mexico, and Brazil, are expected to be partially offsetting. Efforts to increase U.S. foreign-aid wheat shipments may further increase HRW export, but more likely will affect 1980/81 marketing year exports. Yearend stocks are now estimated to be slightly above last year's 420 million bushels but a portion of these stocks will be under Government control, the result of assuming contract obligations for unshipped Soviet sales.

Farm prices at around $4 a bushel during fall planting and no set-aside requirements, encouraged Plains producers to plant 8 percent more acreage for their 1980 crop. Most of the added cropland came from acres set-aside in 1979. The initial forecast places the potential 1980 crop at 993 million bushels, about 10 percent down from 1979's record. Currently the crop rates only fair as dry seeding conditions caused slow development. Increased winter precipitation has improved survival conditions and relatively mild temperatures have precluded heavy cold weather damage.

Large Supply and Reduced Exports Weakens HRS Price

Stocks of Hard Red Spring (HRS) on January 1 totaled about 450 million bushels, slightly below last January's record inventory. About a fourth of this supply was under loan, in the reserve program or owned by CCC. A dropoff in total disappearance during June-December resulted from reduced exports because of the Duluth-Superior shutdown. Total 1979/80 disappearance is expected to reflect only a small reduction in yearend stocks with the new crop year carryin exceeding 300 million bushels, about four-fifths of one year's average use.

HRS markets have been dominated by this large supply and sluggish mid-season demand. Before the export cutoff, Minneapolis prices were under Kansas City by nearly 40 cents a bushel, an occurrence that happened only once in the last decade—1973. This price spread has made HRS an economical source of protein for bakery flour blends, resulting in a step-up in mill grind activity. Additionally, if price continues at a discount, HRS exports should again top 200 million bushels this season.

January planting intentions for 1980 by HRS producers suggest a 5-percent acreage increase. North Dakota growers may keep acreage about the same as last season. Montana, South Dakota, and Minnesota seedings may be up about 800,000 acres.

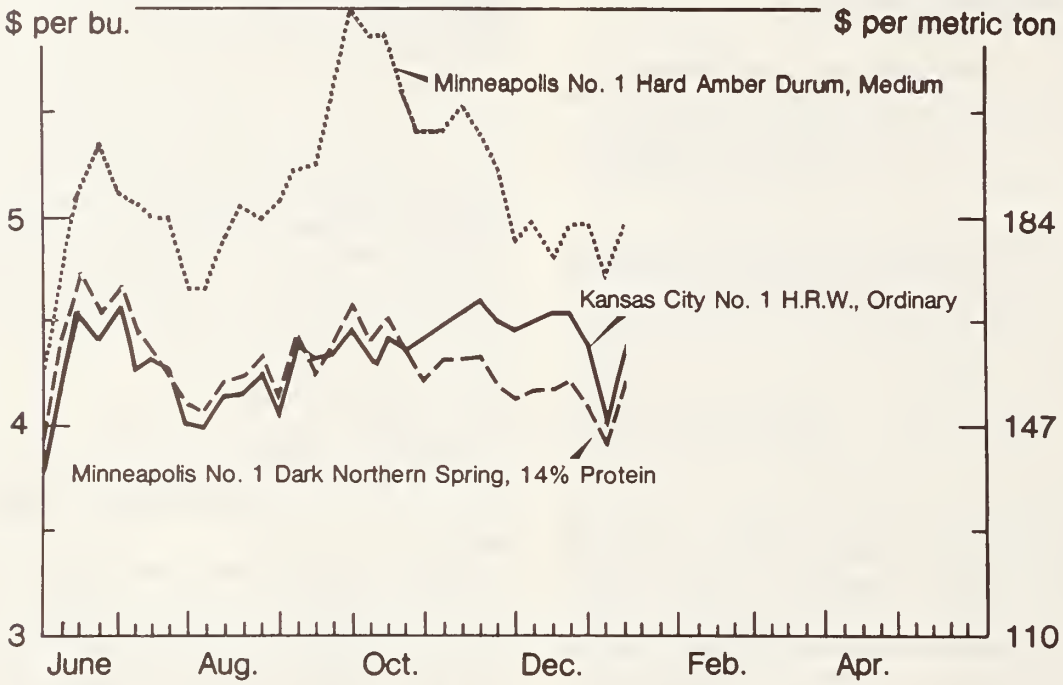
Little Change in Durum Stocks Prices Considerably Higher

Durum stocks on January 1 totaled 108 million bushels, modestly below last January. Increased 1979/80 carryin stocks mostly offset the 20-percent decline in the 1979 crop, so this year's Durum supply is only slightly below last year's record 200 million bushels (table 3). In the same tone, June-December disappearance was about on par with the heavy use early last year. A slow starting export season, caused by the Duluth-Superior work stoppage, accelerated when loading resumed. A record 17 million bushels of Durum left U.S. ports in November. Mill grind also increased despite prices that reached $6.00 per bushel during October. For 1979/80, Durum disappearance is expected to reach another record, cutting in the large supply and reducing yearend carryover stocks.

June-December exports totaled 55 million bushels compared with 60 million for the same period a year ago. But mid-January outstanding sales slated for future delivery were 9 million bushels ahead of last year. Thus, 1979/80 exports may be near or exceed last season's record (table 3).

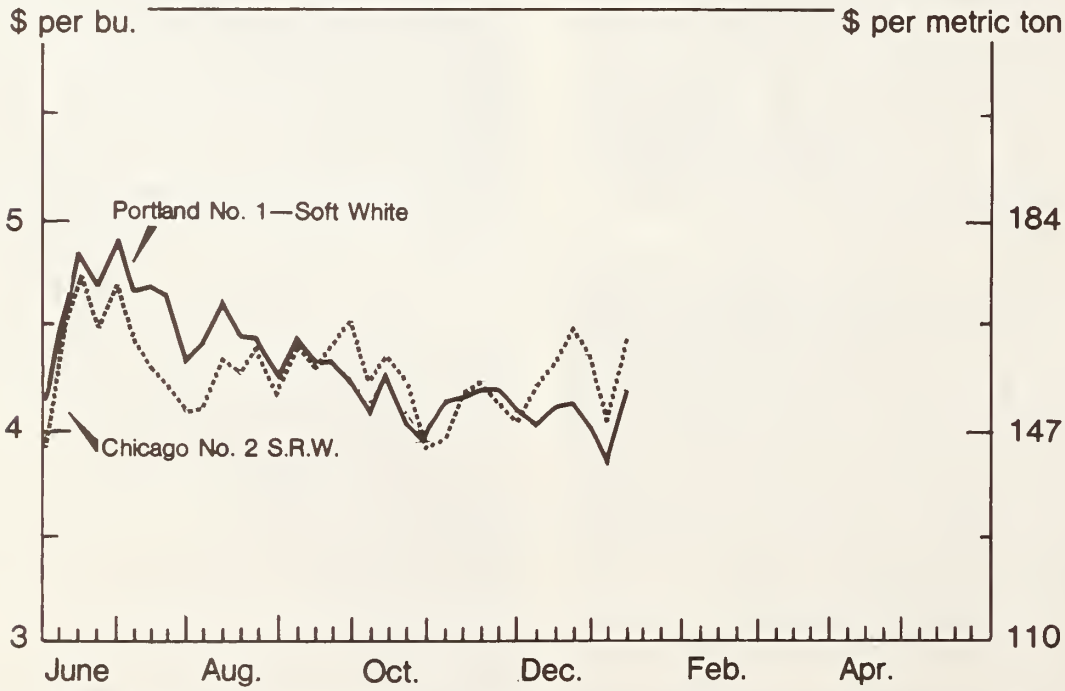
Durum market prices declined from an early October high of over $6 a bushel when Great Lake seasonal export demand ended. Domestic buying was cautious as the $1.50 October spread over hard

Cash Wheat Prices, 1979/80*



*Thursday price.

Cash Wheat Prices, 1979/80*



*Thursday price.

spring needed to narrow considerably to induce expanded buying. Durum market prices may be expected to weaken from current levels as the crop year progresses because of the expected large increase in 1980 Durum acreage.

Favorable prices and no set-aside induced producers to plan a sharp increase in 1980 Durum acreage. Growers intend to seed 800,000 acres more than the 4.0 million in 1979.

SRW Stocks Up
Exports Increase Sharply

Despite a sharp increase in June-December Soft Red Winter (SRW) exports, January 1 stocks are up 65 percent from a year ago. The bumper 1979 crop—119 million bushels over 1978's—increased SRW supplies and caused this year's market prices to move back into line with other wheat classes after enjoying a premium status throughout 1978/79. Although more attractive prices have encouraged SRW domestic and overseas purchases, yearend stocks are expected to be up to a more normal level of 30-40 million bushels.

Total 1979/80 SRW exports are forecast to reach 160 million bushels, almost 70 percent above the very slow 1978/79 season. Eastern Europe has been a large buyer, while North Africa and Middle-East purchases have tempered somewhat. Chinese buying appears to be the main support to SRW's foreign sales activity. Continued soft wheat sales to China are possible, but some switching to Western white may occur because of its price and logistical advantage.

While the relative price increase between this year's SRW price and last year has not been as large as with other wheat classes, producers still responded to $4 a bushel at the farm and seeded 25 percent more acreage to their 1980 wheat crop. Much of the additional 2 million acres shifted from other crops since SRW producers response to the 1979 set-aside program was relatively light. Overall, the condition of the soft red crop is good but has very little snowcover. The initial forecast places the 1980 SRW crop at 346 million bushels, just under 1977's record 350 million bushels.

White Wheat Exports Slow
Larger 1980 Crop Likely

White wheat stocks as of January 1 totaled about 190 million bushels, up about 15 percent from a year ago. June-December disappearance has slipped considerably due to a slowing export pace. Cessation of Iranian White wheat sales caused a major jolt to export activity. In the first 7 months of last marketing year, Iranian committments totaled nearly 40 million bushels, compared with only 9 million this year. Some of this shortfall has been recovered by expanded sales to Korea, Bangladesh, and Taiwan. China, Egypt and Chile, who rarely buy U.S. White wheat, have made substantial purchases, enticed by Western White becoming the lowest priced wheat at U.S. export markets. Despite competitive price levels, 1979/80 White wheat exports are projected to be down about 10 percent from last season's 185 million bushels. U.S. Western White could benefit heavily if India decides to import grain after being out of the U.S. market since 1976/77.

Portland No. 1 Soft White prices fell to near $4 per bushel in late December more than 80 cents below the July high. Pacific Northwest farm prices have been 30-50 cents under the July peak. This decline was in response to reduced export activity, a larger than expected 1979 crop, prospects for increased carryover stocks, and the outlook for a sizable increase in the 1980 crop.

This past fall, farmers seeded about 4 percent more winter White wheat acreage than in 1978. Washington's area is up about 5 percent and Oregon 3 percent. Dry soils slowed fall seeding in the Pacific Northwest causing late emergence and short growth. But winter rains greatly improved soil moisture and the crop is rated good. Initial forecasts place total 1980 White winter wheat production at around 229 million bushels, up 17 percent from last year.

Rye Disappearance Up;
Smaller 1980 Crop Likely

Rye production in 1979 totaled 24.5 million bushels, 6 percent below last year but 42 percent more than the 1977 crop. Both yields and acres harvested for grain were lower. The portion of total acres harvested for grain compared with total acres seeded to rye was also down 33 percent from

Rye: Supply and disappearance

Item	June-December	
	1979	1980
	Million bushels	
June 1 stocks	4.1	9.7
Production	26.2	24.5
Total supply[1]	30.4	34.2
Exports	([2])	2.1
Food	2.2	2.2
Seed	4.7	4.0
Industrial	1.1	1.2
Feed	6.1	5.7
Total disappearance	14.1	15.2
October 1 stocks	16.3	19.0

[1] Inlcudes imports. [2] Less than 50,000 bushels.

last season's. Despite the smaller crop, the large June 1 carryin was offsetting and total 1979/80 rye supply was the largest in 6 years.

June-December disappearance was sparked by over 2 million bushels of exports, the highest level since 1974. Finland was the principal customer. Domestic use also accelerated the first 7 months of the crop year mainly on the strength of livestock feeding—a response to lower rye prices relative to wheat.

Growers seeded 14 percent less rye last fall with crop conditions rated only fair due to dry fall in northern areas. Major rye grain producing States in the North Central area reduced planted acres 35 percent from last year. Georgia, with the largest acreage, lowered plantings by 12 percent.

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TABLE 2.--WHEAT: MARKETING YEAR SUPPLY AND DISAPPEARANCE, SPECIFIED PERIODS, 1975-79 *

YEAR AND PERIODS BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS		
					DOMESTIC USE									
	BEGIN-NING STOCKS	PRODUC-TION	IM-PORTS 1/	TOTAL	FOOD	ALC. BEVER-AGES	SEED	FEED 2/	TOTAL	EX-PORTS 1/	TOTAL DISAP-PEARANCE	GOVT. OWNED	PRI-VATELY OWNED 3/	TOTAL
	MILLION BUSHELS													
1975/76														
JUNE-SEPT.	435.0	2,122.5	0.7	2,558.1	195.6	4/	33.0	16.6	245.2	428.4	673.6	---	1,884.5	1,884.5
OCT.-DEC.	1,884.5	---	0.7	1,885.3	150.4	4/	35.0	-29.3	156.1	343.6	499.6	---	1,385.7	1,385.7
JAN.-MAR.	1,385.7	---	0.3	1,386.0	148.5	4/	1.0	52.4	201.9	247.3	449.2	---	936.8	936.8
APR.-MAY	936.8	---	0.6	937.4	94.2	4/	30.0	-5.7	118.5	153.7	272.1	---	665.3	665.3
MKT. YEAR	435.0	2,122.5	2.4	2,559.8	588.6	0.1	99.0	34.0	721.7	1,172.9	1,894.6	---	665.3	665.3
1976/77														
JUNE-SEPT.	665.3	2,142.4	0.9	2,808.5	200.4	4/	32.0	-11.0	221.5	398.8	620.3	---	2,188.2	2,188.2
OCT.-DEC.	2,188.2	---	0.4	2,188.6	152.5	4/	34.0	4/	186.6	220.3	406.8	---	1,781.8	1,781.8
JAN.-MAR.	1,781.8	---	0.4	1,782.1	147.3	4/	1.0	65.5	213.8	178.8	392.6	---	1,389.5	1,389.5
APR.-MAY	1,389.5	---	1.1	1,390.6	87.9	4/	25.0	13.9	126.7	151.6	278.4	---	1,112.2	1,112.2
MKT. YEAR	665.3	2,142.4	2.7	2,810.3	588.0	0.1	92.0	68.4	748.6	949.5	1,698.1	---	1,112.2	1,112.2
1977/78														
JUNE-SEPT.	1,112.2	2,036.3	0.8	3,149.4	193.3	4/	32.0	142.0	367.3	381.7	749.0	8.2	2,392.2	2,400.4
OCT.-DEC.	2,400.4	---	0.4	2,400.7	153.5	4/	23.0	5.1	181.6	225.4	407.0	31.8	1,962.0	1,993.8
JAN.-MAR.	1,993.8	---	0.4	1,994.2	145.5	4/	1.0	41.4	187.9	278.6	466.5	44.8	1,482.9	1,527.7
APR.-MAY	1,527.7	---	0.3	1,528.0	94.2	4/	24.0	-5.2	113.1	238.2	351.3	45.7	1,131.0	1,176.7
MKT. YEAR	1,112.2	2,036.3	1.9	3,150.5	586.5	0.1	80.0	183.3	849.9	1,123.9	1,973.8	45.7	1,131.0	1,176.7
1978/79														
JUNE-SEPT.	1,176.7	1,797.5	0.6	2,974.8	191.7	4/	27.0	124.9	343.6	493.3	836.9	48.9	2,089.0	2,137.9
OCT.-DEC.	2,137.9	---	0.5	2,138.4	153.8	4/	34.0	9.0	196.7	308.8	505.6	49.5	1,583.3	1,632.8
JAN.-MAR.	1,632.8	---	0.5	1,633.3	147.4	4/	1.0	34.6	183.0	224.5	407.5	49.5	1,176.3	1,225.8
APR.-MAY	1,225.8	---	0.3	1,226.1	98.7	0.1	25.0	10.1	133.9	167.5	301.4	50.2	874.5	924.7
MKT. YEAR	1,176.7	1,797.5	1.9	2,976.1	591.6	0.1	87.0	178.6	857.3	1,194.1	2,051.4	50.2	874.5	924.7
1979/80 5/														
JUNE-SEPT.	924.7	2,141.7	0.7	3,067.2	198.0	4/	33.0	53.1	284.1	511.0	795.1	50.2	2,221.9	2,272.1
OCT.-DEC.	2,272.1	---	0.5	2,272.6	159.0	4/	35.0	-22.1	171.9	387.9	559.8	50.2	1,662.6	1,712.8
JAN.-MAR.														
APR.-MAY														
MKT. YEAR														

1/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS EXPRESSED IN WHEAT EQUIVALENT. 2/ RESIDUAL; APPROXIMATES FEED USE. 3/ INCLUDES OUTSTANDING AND RESERVE LOANS. 4/ LESS THAN 50,000 BUSHELS. 5/ PRELIMINARY. *TOTALS MAY NOT ADD DUE TO ROUNDING.

TABLE 3.--WHEAT CLASSES: MARKETING YEAR SUPPLY AND DISAPPEARANCE, 1976-79 1/

YEAR BEGINNING JUNE 1	SUPPLY: BEGINNING STOCKS	SUPPLY: PRODUCTION	SUPPLY: TOTAL 2/	DISAPPEARANCE: DOMESTIC USE	DISAPPEARANCE: EXPORTS 3/	DISAPPEARANCE: TOTAL	ENDING STOCKS MAY 31
	MILLION BUSHELS						
1976/77							
HARD WINTER	379	976	1,355	332	418	750	605
RED WINTER	57	336	393	140	181	321	72
HARD SPRING	116	411	528	154	124	278	250
DURUM	53	135	190	57	41	98	92
WHITE	60	284	344	65	186	251	93
ALL CLASSES	665	2,142	2,810	748	950	1,698	1,112
1977/78							
HARD WINTER	605	992	1,597	431	535	966	631
RED WINTER	72	350	422	154	197	351	71
HARD SPRING	250	398	649	158	156	314	335
DURUM	92	80	173	44	62	106	67
WHITE	93	216	309	62	174	236	73
ALL CLASSES	1,112	2,036	3,150	849	1,124	1,973	1,177
1978/79 4/							
HARD WINTER	631	836	1,467	437	610	1,047	420
RED WINTER	71	202	273	151	95	246	27
HARD SPRING	335	379	714	158	232	390	324
DURUM	67	134	202	44	72	116	86
WHITE	73	247	320	67	185	252	68
ALL CLASSES	1,177	1,798	2,976	857	1,194	2,051	925
1979/80 5/							
HARD WINTER	420	1,093	1,513	347	715	1,062	451
RED WINTER	27	321	348	149	160	309	39
HARD SPRING	324	365	690	163	210	373	317
DURUM	86	107	194	46	70	116	78
WHITE	68	256	324	65	170	235	89
ALL CLASSES	925	2,142	3,069	770	1,325	2,095	974

1/ DATA, EXCEPT PRODUCTION, ARE APPROXIMATIONS. 2/ TOTAL SUPPLY INCLUDES IMPORTS. 3/ IMPORTS AND EXPORTS INCLUDE FLOUR AND OTHER PRODUCTS IN WHEAT EQUIVALENT. 4/ PRELIMINARY. 5/ PROJECTED.

Table 4.--Wheat price support loan status on specified dates--1976-79 crops

Crop of	Total loans	Put in reserve	Repaid		Delivered to CCC	Outstanding	
			Loans	Reserve		Loans	Reserve
	Million bushels						
	As of June 1, 1979						
1976	498.8	215.8	234.7	3.1	48.0	0.3	212.7
1977	590.8	192.1	392.2	1.8	2.2	4.3	190.3
1978	254.3	---	136.9	---	---	117.4	---
1979							
Total	***	***	***	***	50.2	122.0	403.0
	As of October 1, 1979						
1976	498.8	216.1	234.7	87.3	48.0	---	128.8
1977	590.8	194.7	392.9	73.8	2.2	1.0	120.9
1978	255.1	---	198.6	---	---	56.5	---
1979	55.6	---	1.3	---	---	54.3	---
Total	***	***	***	***	50.2	111.8	249.7
	As of January 1, 1980						
1976	498.8	216.1	234.7	99.2	48.0	---	116.9
1977	590.8	195.1	393.5	86.3	2.2	---	108.8
1978	255.1	3.4	210.4	---	---	41.3	3.4
1979	115.5	0.6	13.4	---	---	101.5	0.6
Total	***	***	***	***	50.2	142.8	229.7
	As of April 1, 1979						
1976	498.8	215.1	234.3	---	47.9	1.5	215.1
1977	590.6	189.8	391.1	---	2.2	7.5	189.8
1978	251.0	---	95.9	---	---	155.1	---
Total	***	***	***	***	50.1	164.1	404.9

Source: Agricultural Stabilization and Conservation Service monthly loan activity reports.

Table 5.--Wheat: Farm price for leading classes and major feed grain in region, 1977-79 1/

Commodity and year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average	Loan rate
	All prices for 60 pounds													
	Central and So. Plains (Hard Winter) 2/													
Wheat:														
1977/78	1.94	1.98	1.94	2.06	2.19	2.37	2.38	2.37	2.44	2.55	2.69	2.69	2.30	2.19
1978/79	2.72	2.71	2.74	2.82	2.96	2.98	2.97	2.93	2.96	2.97	3.00	3.12	2.91	2.28
1979/80	3.63	3.81	3.72	3.82	3.86	3.93	3.89							2.43
Sorghum:														
1977/78	1.82	1.75	1.59	1.60	1.74	1.87	1.86	1.87	1.91	2.02	2.16	2.21	1.87	1.79
1978/79	2.15	2.05	1.97	1.96	2.06	2.11	2.12	2.11	2.11	2.12	2.15	2.17	2.09	2.00
1979/80	2.55	2.68	2.51	2.48	2.45	2.45	2.41							2.12
	Cornbelt (Soft Red Winter) 3/													
Wheat:														
1977/78	1.99	1.97	1.88	1.88	2.01	2.35	2.45	2.45	2.48	2.64	2.88	2.89	2.32	2.26
1978/79	2.88	2.90	3.02	3.08	3.23	3.34	3.37	3.37	3.50	3.38	3.44	3.58	3.26	2.34
1979/80	3.85	4.01	3.86	3.93	4.00	3.87	3.99							2.48
Corn:														
1977/78	2.30	2.01	1.74	1.70	1.80	2.07	2.16	2.17	2.21	2.33	2.47	2.50	2.12	1.93
1978/79	2.52	2.39	2.18	2.13	2.12	2.19	2.27	2.31	2.39	2.44	2.51	2.61	2.34	2.18
1979/80	2.78	3.02	2.88	2.81	2.59	2.48	2.71							2.31
	Northern Plains (Spring and Durum) 4/													
Wheat:														
1977/78	2.25	2.16	2.16	2.28	2.45	2.59	2.56	2.60	2.62	2.66	2.81	2.84	2.50	2.26
1978/79	2.79	2.69	2.71	2.78	2.87	2.93	2.86	2.75	2.83	2.84	2.89	3.14	2.84	2.36
1979/80	3.49	3.69	3.62	3.67	3.83	3.76	3.61							2.51
Barley:														
1977/78	2.10	1.71	1.70	1.71	1.91	2.11	2.14	2.15	2.19	2.21	2.34	2.39	2.05	1.74
1978/79	2.25	2.00	2.02	2.14	2.22	2.36	2.33	2.27	2.26	2.34	2.46	2.55	2.27	1.92
1979/80	2.65	2.72	2.50	2.65	2.72	2.79	2.69							2.02
	Pacific Northwest (White) 5/													
Wheat:														
1977/78	2.47	2.52	2.55	2.45	2.40	2.58	2.62	2.69	2.92	3.07	3.17	3.22	2.72	2.31
1978/79	3.23	3.29	3.35	3.36	3.30	3.30	3.34	3.30	3.21	3.22	3.30	3.42	3.30	2.41
1979/80	3.98	3.93	4.12	4.03	3.91	3.89	3.74							2.57
Barley:														
1977/78	2.47	2.44	2.25	2.32	2.10	2.31	2.30	2.36	2.47	2.56	2.64	2.71	2.41	1.99
1978/79	2.69	2.59	2.54	2.35	2.25	2.32	2.31	2.39	2.36	2.44	2.49	2.58	2.44	2.15
1979/80	2.69	3.08	3.00	3.09	3.07	3.34	3.10							2.26
	U.S. AVERAGE													
Wheat:														
1977/78	2.03	2.04	2.13	2.16	2.30	2.46	2.47	2.53	2.59	2.67	2.82	2.82	6/2.33	2.25
1978/79	2.81	2.81	2.88	2.92	2.99	3.04	3.01	2.99	2.99	2.97	3.01	3.20	6/2.94	2.35
1979/80	3.72	3.89	3.74	3.87	3.98	3.94	3.80							2.50

1/ To adjust prices to relative feed value multiply: corn 1.00; wheat 1.05; barley .90; sorghum .95; reported in Consumption of Feed by Livestock, Production Research Report No. 79, ERS, USDA. 2/ Kansas, Nebraska, Texas, Oklahoma, and Colorado. 3/ Ohio, Indiana, Illinois, and Missouri. 4/ North Dakota, South Dakota, and Minnesota. 5/ Washington, Oregon, and Idaho. 6/ Season average price including allowance for unredeemed loans and purchases by CCC.

Table 6.--Wheat: Major cash market prices for leading classes, 1977-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per bushel												
	Kansas City, No. 1 Hard Red Winter (ordinary protein)												
1977/78	2.31	2.35	2.31	2.47	2.56	2.81	2.80	2.82	2.84	3.07	3.21	3.12	2.72
1978/79	3.12	3.14	3.14	3.24	3.42	3.48	3.39	3.42	3.50	3.52	3.53	3.64	3.38
1979/80	4.17	4.34	4.12	4.26	4.39	4.53	4.51						
	13% protein												
1977/78	2.51	2.43	2.38	2.53	2.61	2.86	2.87	2.92	2.92	3.09	3.36	3.25	2.81
1978/79	3.20	3.17	3.15	3.26	3.42	3.48	3.40	3.43	3.52	3.55	3.58	3.71	3.41
1979/80	4.22	4.42	4.28	4.39	4.55	4.67	4.60						
	Chicago, No. 2 Soft Red Winter												
1977/78	2.29	2.20	2.08	2.20	2.27	2.59	2.65	2.69	2.64	2.82	3.11	3.14	2.56
1978/79	3.18	3.22	3.32	3.42	3.51	3.68	3.68	3.73	3.88	3.79	3.60	3.86	3.57
1979/80	4.36	4.39	4.23	4.28	4.30	4.13	4.26						
	St. Louis, No. 2 Soft Red Winter												
1977/78	2.15	2.14	1.97	2.01	2.28	2.70	2.74	2.75	2.71	2.90	3.09	2.99	2.54
1978/79	3.05	3.16	3.21	3.23	3.41	3.57	3.50	3.57	3.66	3.51	3.62	3.68	3.43
1979/80	4.08	4.18	4.04	4.08	4.02	4.10	4.28						
	Toledo, No. 2 Soft Red Winter												
1977/78	2.21	2.13	2.03	2.08	2.21	2.53	2.57	2.62	2.55	2.77	3.07	3.03	2.48
1978/79	3.09	3.13	3.21	3.32	3.46	3.73	3.72	3.73	3.69	3.66	3.56	3.71	3.50
1979/80	4.17	4.37	4.22	4.28	4.29	4.21	4.28						
	Toledo, No. 2 Soft White												
1977/78	2.21	2.16	2.04	2.06	2.18	2.52	2.56	2.62	2.56	2.77	3.07	3.03	2.48
1978/79	3.10	3.26	3.45	3.63	3.69	3.87	3.77	3.72	3.63	3.44	3.35	3.53	3.54
1979/80	4.08	4.31	4.15	4.17	4.12	4.20	4.18						
	Portland, No. 1 Soft White												
1977/78	2.79	2.88	2.88	2.80	2.75	2.91	2.97	3.17	3.33	3.41	3.62	3.60	3.09
1978/79	3.60	3.74	3.72	3.77	3.76	3.76	3.71	3.70	3.65	3.70	3.70	3.91	3.73
1979/80	4.46	4.67	4.45	4.31	4.13	4.16	4.10						
	Minneapolis, No. 1 Dark No. Spring (ordinary protein)												
1977/78	2.43	2.29	2.22	2.51	2.61	2.71	2.68	2.73	2.72	2.86	3.08	3.10	2.66
1978/79	3.06	2.95	2.96	3.07	3.21	3.32	3.15	3.12	3.12	3.18	3.29	3.62	3.17
1979/80	4.23	4.31	4.10	4.18	4.31	4.27	4.18						
	14% protein												
1977/78	2.65	2.54	2.48	2.75	2.87	2.96	2.92	2.94	2.90	3.03	3.23	3.27	2.88
1978/79	3.21	3.11	3.13	3.26	3.41	3.47	3.32	3.30	3.36	3.42	3.45	3.73	3.35
1979/80	4.32	4.42	4.19	4.29	4.45	4.29	4.17						
	Hard Amber Durum, No. 1 (medium)												
1977/78	2.84	2.84	2.80	3.12	3.42	3.54	3.51	3.62	3.61	3.60	3.72	3.79	3.37
1978/79	3.72	3.56	3.55	3.52	3.69	3.70	3.53	3.60	3.64	3.72	3.71	3.98	3.66
1979/80	4.75	4.99	4.88	5.27	5.80	5.38	4.99						

Source: Grain Market News, Agriculture Marketing Service.

Table 7.--Wheat: Monthly average export prices at selected ports, 1976-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per metric ton												
	GULF: NO. 1 HARD RED WINTER, ORDINARY PROTEIN												
1976/77	146	142	127	120	111	107	106	109	111	107	102	95	115
1977/78	93	97	96	100	104	112	115	114	116	124	130	124	110
1978/79	126	127	128	131	137	138	136	138	140	140	140	143	135
1979/80	168	175	169	174	178	178	180						
	GULF: NO. 1 SOFT RED WINTER												
1976/77	129	128	115	114	105	101	101	103	106	102	100	94	108
1977/78	83	85	80	83	91	104	107	108	110	116	125	121	101
1978/79	123	124	126	130	136	141	137	140	144	144	144	141	136
1979/80	164	169	163	165	163	164	172						
	PORTLAND: NO. 2 WESTERN WHITE												
1976/77	133	134	126	122	112	110	104	108	112	110	111	110	116
1977/78	105	107	108	105	104	109	112	118	124	128	136	134	116
1978/79	136	141	139	141	140	141	139	139	137	138	138	148	140
1979/80	171	178	167	163	160	157	155						
	DULUTH: NO. 2 NORTHERN SPRING, 14% PROTEIN												
1976/77	162	155	137	126	120	115	111	112	114	111	111	105	123
1977/78	98	94	93	103	107	109	107	107	106	110	118	120	106
1978/79	119	116	117	121	127	129	120	122	123	126	127	138	124
1979/80	163	166	1/	167	167	158	150						

1/ No price quotes available.

Source: Grain Market News.

Table 8.--Wheat: Rotterdam, c.i.f., quotations for cargoes/parcels in nearest shipment position, by months, 1976-79 1/

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Simple average
	Dollars per metric ton												
	Canadian No. 1 CWRS - 13.5												
1976/77	2/188	2/175	158	156	145	141	139	145	146	135	133	134	150
1977/78	127	122	117	129	137	144	145	153	155	2/148	2/154	2/159	141
1978/79	2/157	161	163	166	170	177	NQ	NQ	2/169	2/164	2/159	NQ	165
1979/80	NQ	NQ	NQ	NQ	2/213	2/215	NQ						
	United States No. 2 Hard Winter, 13.5%												
1976/77	172	176	159	150	139	131	132	133	140	132	130	121	143
1977/78	114	116	116	120	126	135	137	134	132	139	151	142	130
1978/79	150	146	147	148	156	161	157	155	160	165	157	166	156
1979/80	193	204	200	205	209	212	212						
	United States Dark Northern Spring, 14%												
1976/77	181	176	158	148	138	137	142	145	148	134	130	127	147
1977/78	115	111	110	121	126	131	132	144	147	147	147	146	131
1978/79	142	138	140	144	153	159	150	164	170	164	154	166	154
1979/80	192	202	194	199	205	204	205						

1/ Hamburg Mercantile Exchange prices for Rotterdam. Averages: Basis daily market quotes. 30 days delivery. 2/ Canadian Western Spring Wheat (CWRS)--No. 2--12.5 protein.

NQ - Not quoted.

Compiled from Foreign Agriculture Grain Circular, Foreign Agriculture Service.

Table 9.--Wheat and flour: Price relationships at milling centers, annual and by periods, 1976-79

Year and periods	At Kansas City					At Minneapolis				
	Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of-				Cost of wheat to produce 100 lb. of flour 1/	Wholesale price of-			
		Bakery flour per 100 lb. 2/	Byprodcts obtained 100 lb. flour 3/	Total products			Bakery flour per 100 lb. 2/	Byprodcts obtained 100 lb. flour 3/	Total products	
				Actual	Over cost of wheat				Actual	Over cost of wheat
	Dollars									
1976/77										
June-Sept.	8.47	8.31	1.70	10.01	1.54	8.98	9.64	1.74	11.38	2.40
Oct.-Dec.	6.92	7.05	1.71	8.76	1.84	7.16	8.04	1.72	9.76	2.60
Jan.-Mar.	6.75	6.70	1.63	8.33	1.58	7.02	7.78	1.66	9.44	2.42
Apr.-May	6.12	6.02	1.62	7.64	1.52	6.66	7.02	1.66	8.68	2.02
Season average	7.06	7.02	1.66	8.68	1.62	7.46	8.12	1.70	9.82	2.36
1977/78										
June-Sept.	5.61	5.86	1.19	7.05	1.44	5.97	6.70	1.23	7.93	1.96
Oct.-Dec.	6.34	6.46	1.33	7.79	1.45	6.69	7.24	1.23	8.47	1.78
Jan.-Mar.	6.77	6.88	1.37	8.25	1.48	6.82	7.52	1.25	8.77	1.95
Apr.-May	7.54	7.86	1.14	9.00	1.46	7.45	8.52	1.08	9.60	2.15
Season average	6.56	6.76	1.26	8.02	1.46	6.73	7.49	1.20	8.69	1.96
1978/79										
June-Sept.	7.29	7.49	1.27	8.76	1.47	7.27	8.03	1.16	9.19	1.92
Oct.-Dec.	7.83	7.77	1.67	9.44	1.61	7.78	8.15	1.48	9.63	1.85
Jan.-Mar.	7.98	7.84	1.61	9.45	1.47	7.74	8.05	1.44	9.49	1.75
Apr.-May	8.31	8.46	1.35	9.81	1.50	8.26	8.65	1.29	9.94	1.68
Season average	7.85	7.89	1.47	9.36	1.51	7.76	8.22	1.34	9.56	1.80
1979/80										
June-Sept.	9.87	9.91	1.70	11.61	1.74	9.88	10.22	1.61	11.83	1.95
Oct.-Dec. 4/	10.50	10.39	1.85	12.24	1.74	9.99	10.57	1.63	12.20	2.21
Jan.-Mar.										
Apr.-May										
Season average										

1/ Based on 73 percent extraction rate, cost of 2.28 bushels: At Kansas City, No. 1 Hard Winter, 13 percent protein, and at Minneapolis, No. 1 Dark Northern Spring, simple average of 13 percent and 15 percent protein. 2/ Quoted as 95 percent patent at Kansas City and standard patent at Minneapolis, bulk basis. 3/ Assumed 50-50 millfeed distribution between bran and shorts or middlings, bulk basis. 4/ Preliminary.

Compiled from reports of Agricultural Marketing Service and Bureau of Labor Statistics, Department of Labor.

Table 10.--Cereal and bakery products: Retail price index, 1967-79

Year	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Average
	(Index 1967 = 100)												
1967	99.8	99.7	99.9	99.9	99.7	99.9	99.9	99.8	99.7	99.7	99.8	99.9	99.8
1968	100.1	100.6	100.9	101.1	101.1	101.4	101.4	101.7	101.9	102.3	102.4	102.6	101.5
1969	103.0	103.5	103.5	103.8	104.4	104.7	105.4	105.9	106.6	107.2	107.7	108.0	105.3
1970	108.2	108.7	109.8	110.2	111.0	111.2	111.6	112.4	112.8	113.0	113.9	114.1	111.4
1971	114.2	114.8	114.5	114.6	114.3	114.1	113.8	113.7	114.3	114.8	115.0	114.7	114.4
1972	114.5	114.4	114.4	114.6	114.6	115.0	115.8	116.3	117.8	119.0	120.2	122.1	116.6
1973	123.0	123.5	124.7	132.4	139.0	145.8	148.5	149.7	154.4	158.6	161.4	164.3	143.8
1974	165.3	166.7	168.2	170.4	174.7	177.6	181.7	185.3	187.3	189.1	188.9	187.0	178.5
1975	185.2	184.6	182.6	181.6	181.6	181.9	182.2	182.0	181.1	180.6	180.2	180.8	182.0
1976	181.3	180.9	180.3	180.4	180.1	179.9	179.3	179.9	180.0	181.3	182.6	182.5	180.7
1977	182.8	183.3	182.7	184.9	185.4	187.1	189.0	190.8	194.5	194.4	194.8	198.2	189.0
1978	199.4	201.3	203.1	203.8	205.1	206.6	207.9	210.0	212.2	213.5	214.5	216.2	207.8
1979	217.8	220.1	223.7	225.6	227.0	228.7	231.6						

Bureau of Labor Statistics, U.S. Department of Labor.

Table 11.--Wheat: Inspections for export by class and country of destination, June-May 1978/79

Country	Hard red spring	Hard red winter	Soft red winter	White	Durum	Mixed	Total
	1,000 bushels						
Algeria	559	---	1,024	---	20,918	---	22,501
Angola	---	---	571	---	---	---	571
Bangladesh	---	8,248	3,293	700	---	---	12,241
Belgium	1,403	---	---	---	641	---	2,044
Belize	---	275	97	---	---	---	372
Bolivia	---	2,815	---	---	---	---	2,815
Brazil	---	63,224	123	---	---	---	63,347
Chile	---	25,256	---	---	2,989	---	28,245
China (Mainland)	15,026	56,893	22,711	---	---	---	94,630
China (Taiwan)	6,437	10,780	1,121	4,610	---	---	22,948
Colombia	---	12,703	1,116	---	---	---	13,819
Costa Rica	1,546	1,299	289	115	199	---	3,448
Cyprus	503	---	---	---	---	---	503
Denmark	332	---	---	---	---	---	332
Dominican Republic	1,968	1,875	531	---	---	---	4,374
Ecuador	115	7,921	---	---	---	---	8,036
Egypt	3,671	31,077	20,581	---	---	---	55,329
El Salvador	3,642	225	1,438	162	418	---	5,885
Ethiopia	---	1,616	---	---	---	946	2,562
Fed. Rep. of Ger. (W)	10,741	---	552	---	1,749	---	13,042
Finland	210	1,174	239	---	---	---	1,623
France	913	---	---	---	5,106	---	6,019
German Dem. Rep. (E)	---	2,549	---	---	2,437	---	4,986
Guatemala	807	811	---	---	---	---	1,618
Guyana	100	1,859	---	---	---	---	1,959
Haiti	1,103	---	---	---	---	---	1,103
Honduras	657	1,028	303	---	413	---	2,401
Hong Kong	1,449	159	---	2,068	---	---	3,676
India	201	---	---	---	---	---	201
Indonesia	12,601	7,682	---	2,024	---	---	22,307
Iran	137	---	---	36,775	---	---	36,912
Iraq	8,655	10,138	2,911	1,514	---	---	23,218
Israel	---	20,455	1,071	---	---	---	21,526
Italy	12,480	---	1,122	---	7,604	---	21,206
Jamaica	---	151	---	---	---	---	151
Japan	28,299	53,237	---	39,555	1,772	---	122,863
Jordan	---	3,245	---	---	---	---	3,245
Kenya	---	1,778	---	---	---	---	1,778
Korea, Rep. of	4,448	19,156	---	35,819	---	---	59,423
Lebanon	---	1,683	---	---	---	---	1,683
Liberia	626	---	---	---	---	---	626
Malaysia	1,272	73	77	159	---	---	1,581
Malta	666	---	---	---	---	---	666
Mexico	392	24,606	---	---	---	3	25,001
Morocco	2,226	3,126	4,454	---	---	---	9,806
Netherlands	30,294	4,560	1,084	---	6,131	---	42,069
Netherland Antilles	623	---	---	---	---	---	623
Nicaragua	501	403	87	---	15	---	1,006
Nigeria	2,236	25,648	77	---	---	3,322	31,283
Norway	2,255	1,491	---	190	---	---	3,936
Pakistan	5,624	6,333	4,781	35,651	---	---	52,389
Panama	749	---	66	73	68	---	956
Peru	---	10,507	---	---	---	---	10,507
Philippines	19,605	---	---	6,711	---	---	26,316
Poland	204	8,365	9,055	---	---	---	17,624
Portugal	437	10,712	8,882	---	573	---	20,604
Saudi Arabia	5,586	873	---	---	---	---	6,459
Sierra Leone	1,140	853	---	---	---	142	2,135
Singapore	2,450	53	---	2,049	---	---	4,552
Spain	351	810	---	---	5,577	---	6,738
Sudan	---	6,882	---	---	---	---	6,882
Surinam	350	202	---	---	---	---	552
Tanzania	581	---	---	---	---	---	581
Thailand	1,878	450	---	217	---	---	2,545
Trinidad	73	75	307	---	---	---	455
Tunisia	---	1,026	---	---	4,125	---	5,151
United Kingdom	3,004	5,102	---	360	---	---	8,466
U.S.S.R.	---	94,035	---	---	---	---	94,035
Uruguay	---	3,620	---	---	---	---	3,620
Venezuela	21,807	1,371	1,038	7	4,735	---	28,958
Yemen (Sana)	---	---	203	6,179	---	---	6,382
Zaire	---	3,893	---	---	---	---	3,893
Zambia	---	607	---	---	---	---	607
Other	1,176	393	199	---	408	---	2,176
U.S. total	224,109	565,381	89,403	174,938	65,878	4,413	1,124,122

Source: Agricultural Marketing Service, Grain Division.

Table 12.--Wheat and Wheat Flour: World trade, production, stocks and utilization for 1976/77, 1977/78, 1978/79, and projected levels for 1979/80, years beginning July 1

Country or region	1976/77	1977/78	1978/79 preliminary	1979/80 projected as of January 17
	Million metric tons			
Exports:				
Canada	12.9	15.9	13.5	13.8
Australia	8.5	11.1	6.7	13.0
Argentina	5.6	2.6	3.3	3.9
Sub-total	27.0	29.5	23.5	30.7
W. Europe	6.3	6.3	9.6	9.3
USSR	1.0	1.0	1.5	0.5
All others	2.8	4.5	4.4	1.9
Total non-U.S.	37.1	41.3	38.9	42.4
USA 1/	26.1	31.5	32.4	36.1
World total	63.1	72.9	71.3	78.4
Imports:				
W. Europe	5.6	7.1	6.6	6.7
USSR	4.6	6.6	5.1	9.8
Japan	5.5	5.8	5.7	5.5
E. Europe	6.3	5.0	3.9	6.1
China	3.1	8.6	7.8	7.5
All others	38.1	39.8	42.1	42.9
World total	63.1	72.9	71.3	78.4
(World total including intra EC-9)	68.5	79.7	77.2	84.0
Production: 2/				
Canada	23.6	19.9	21.2	17.7
Australia	11.7	9.4	18.1	16.3
Argentina	11.0	5.7	8.1	7.8
W. Europe	50.7	47.7	58.5	55.1
USSR 3/	96.9	92.2	120.8	86.0
E. Europe	34.7	34.2	35.8	28.3
India	28.8	29.0	31.7	35.0
All other foreign	99.6	89.3	95.4	100.4
Total foreign	356.9	327.2	389.6	346.7
USA	58.3	55.4	48.9	58.3
World total	415.3	382.6	438.6	405.0
Utilization: 4/				
USA	20.4	23.1	23.3	21.5
USSR 3/	92.5	106.8	106.5	111.3
China	48.1	49.6	52.8	57.0
All other foreign	217.2	220.8	233.0	233.1
World total	378.2	400.3	415.6	422.9
Stocks, ending: 5/	99.3	81.6	104.6	86.8

1/ Includes transshipments through Canadian ports; excludes products other than flour. 2/ Production data include all harvests occurring within the July-June year shown, except that small grain crops from the early harvesting Northern Hemisphere areas are "moved forward"; i.e., the May 1978 harvests in areas such as India, North Africa, and southern United States are actually included in "1978/79" accounting period which begins July 1, 1978. 3/ "Bunker weight" basis: not discounted for excess moisture and foreign material. 4/ Utilization data are based on an aggregate of differing local marketing years. For countries for which stocks data are not available, (excluding the USSR) utilization estimates represent "apparent" utilization, i.e., they are inclusive of annual stock level adjustments. 5/ Stocks data are based on an aggregate of differing local marketing years and should not be construed as representing world stock levels at a fixed point in time. Stocks data are not available for all countries and exclude those such as China and parts of Eastern Europe; the world stock levels have been adjusted for estimated year-to-year changes in USSR grain stocks, but do not purport to include the entire absolute level of USSR stocks.

Source: Foreign Agricultural Service. World Grain Situation: FG-2-80.

TABLE 13.--RYE: MARKETING YEAR SUPPLY, DISAPPEARANCE, AREA AND PRICES, 1975-79 *

YEAR BEGINNING JUNE 1	SUPPLY				DISAPPEARANCE							ENDING STOCKS MAY 31		
					DOMESTIC USE									
	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL	FOOD	ALC. BEVERAGES	SEED	FEED 1/	TOTAL	EXPORTS	TOTAL DISAPPEARANCE	GOVT. OWNED	PRIVATELY OWNED 2/	TOTAL
	MILLION BUSHELS													
1975/76	6.6	16.0	0.9	23.5	4.2	2.1	4.2	7.6	18.0	1.1	19.1	---	4.4	4.4
1976/77	4.4	15.0	0.2	19.6	3.7	1.9	4.2	5.3	15.1	3/	15.2	---	4.4	4.4
1977/78	4.4	17.3	0.1	21.8	3.6	1.9	4.8	7.4	17.7	3/	17.7	---	4.1	4.1
1978/79 4/	4.1	26.2	0.1	30.4	3.7	2.4	4.9	9.4	20.4	0.3	20.7	---	9.7	9.7
1979/80 5/	9.7	24.5	0.1	34.3	4.0	2.5	4.3	9.2	20.0	4.0	24.0	N.A.	N.A.	10.3

YEAR BEGINNING JUNE 1	AREA		YIELD	AVERAGE PRICES		NATIONAL AVG. LOAN RATE
	PLANTED	HARVESTED FOR GRAIN	PER HARVESTED ACRE	RECEIVED BY FARMERS	MINNEAPOLIS, NO. 2	
	MILLION ACRES		BUSHELS	DOLLARS PER BUSHEL		
1975/76	2.8	0.7	21.9	2.36	2.84	0.89
1976/77	2.7	0.7	20.7	2.47	2.87	1.20
1977/78	2.7	0.7	24.6	2.05	2.53	1.70
1978/79 4/	3.0	1.0	26.3	1.98	2.44	1.70
1979/80 5/	3.1	0.9	25.9	2.10		1.70

1/ RESIDUAL; APPROXIMATES TOTAL FEED USE. 2/ INCLUDES OUTSTANDING LOANS. 3/ LESS THAN 50,000 BUSHELS. 4/ PRELIMINARY. 5/ PROJECTED.

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Weights, Measures and Conversion Factors

Bushel weights:
- Wheat & soybeans = 60 lbs.
- Corn, sorghum & rye = 56 lbs.
- Barley (grain) = 48 lbs.: malt = 34 lbs.
- Oats = 32 lbs.

Bushels to metric tons:
- Wheat & soybeans = bushels x .027216
- Barley = bushels x .021772
- Corn, sorghum, rye = bushels x .025400
- Oats = bushels x .014515

1 Metric ton equals:
- 2204.622 lbs.
- 22.046 hundredweight
- 10 quintals
- 1,000 kilograms
- 36.7437 bushels wheat or soybeans
- 39.3679 bushels corn, sorghum, or rye
- 45.9296 bushels barley
- 68.8944 bushels oats

Area:
- 1 Acre = .404694 hectares
- 1 Hectare = 2.4710 acres

Yields:
- Wheat = bushels per acre x 0.6725 = quintals per hectare
- Rye, corn = bushels per acre x 0.6277 = quintals per hectare
- Barley = bushels per acre x 0.5380 = quintals per hectare
- Oats = bushels per acre x 0.3587 = quintals per hectare